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ABSTRACT

Trends in state budgeting agencies' staffs, roles, functions and relative power, interagency relationships and relative power, and the effects of professional staffing on budget policy and on democratic practice and decision-making are considered. The following three types of legislative staffs that impinge directly on budget decisions are described: joint legislative budget staffs, budget committee staffs of the separate houses, and program or performance audit staffs. Great variety characterizes the quantity and quality of interrelationships of the legislative staffs, ranging from close supervision and coordination of all staff work by a single director, to the active antagonism of separately controlled committee staffs. In all but three states the governor has a professional staff devoted to budget development. In state higher education agencies, members of the technical budget staff are likely to be college graduates with previous budgeting experience. Interagency relationships among state staffs are considered in terms of the level of professionalism, openness in communication and information bases, role competition and confusion, and redundancy. Checks and balances and professional staffings in the executive and legislative branches and in coordinating agencies are discussed. The following functions of coordinating agencies are considered: planning and policy studies, information and management systems, program initiatives and control, and budget review of programs and services in relation to long-range plans and policy analyses. Additionally, the following duties of the executive budget office are addressed: determining the share of state revenue to be recommended to the legislature for higher education, making the technical and mathematical review of the budget, allocating funds, and conducting special financial policy studies. (SW)

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THE CHANGING RELATIONS BETWEEN HIGHER EDUCATION AND GOVERNMENT: BUDGETING PRACTICES AND PITFALLS

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I

STATE BUDGETING AGENCIES: CURRENT OPERATING TRENDS AND DOMAINS

Highlights of the trends in agencies' staffs, roles, functions, and relative power are presented in outline form. The middle section deals with interagency relationships and relative power, and the final section with the effects of professional staffing on budget policy and on democratic practice and decisionmaking.

AGENCY TRENDS

Legislative Staffs

Three types of legislative staff agencies impinge directly on budget decisions. Not all states have each type of staff, but most are rapidly acquiring at least one. No phenomena found in studying state budget practice seem likely to have as much impact on colleges and universities as the growth in number, size, and professional capacity of the legislative budget staffs.

Joint Legislative Budget Staff. In most states the joint legislative budget staff reports to a joint budget committee or to the legislative council. It generally preceded in time, in those states which have them,

the creation of a coordinating agency, or separate committee budget staffs in the legislative houses.

- Joint staffs usually have more experience and better professional qualifications than separate committee staffs; they almost match the qualifications of state budget office staffs, but fall short of those at upper levels of the state higher education agency.

- Work produced by the joint staff is more objective (and less partisan), more policy oriented, and has a longer-range perspective than that of separate committee staffs, but is similar to that of the state budget office and not equal to that of the higher education agency on each dimension.

- The reports and recommendations of joint staffs are more likely to be based on long-term accumulated knowledge within the agency (principally budget data and analyses) than are those of separate committee budget staffs, and are similar to those of the state budget office; the higher education agency uses more knowledge and data from other national or general sources.

- Joint staffs more easily gain the confidence of legislators and influence their decisions than do separate committee staffs.

- Joint budget staffs provide legislators with the most consistent set of alternatives to the executive budget.

- Over time, joint staff agencies often become fairly free of direct legislative guidance--sometimes becoming a force for influencing citizen views and public policy equal to that of individual legislative leaders.

Budget Committee Staffs of the Separate Houses. These staffs are increasingly found in one or both houses of the legislature, but not yet in every state. Their newness makes observations on them tentative, but patterns of activity can be discerned.

- All but a very few of these staffs are the least experienced and least sophisticated of all the agencies studied. This may be the result of the relatively low salaries and high personnel turnover rates.

- They are more partisan and more subject to direct committee control, especially by the chairman, than most joint legislative budget staffs.

- They deal primarily with issues of high political salience.

- For special policy studies, they often collect data directly from the institutions in addition to that regularly received from the executive budget office and the state higher education agency, but usually make no systematic efforts to create a data bank.

- They work more closely with legislators than any other state-level staff.

- Because of inexperience and high turnover rate, these staffs have less continuing influence on policy than do the joint legislative budget staffs or other state-level budget staffs.

Program or Performance Audit Staffs. Program review staffs, the newest of all staffs studied, are usually found in a newly created agency or a new section of the old fiscal audit agency. Where such staffs have operated for more than a year they are likely to have studied some aspect of higher education, and most of them give higher education at least as much attention as any other function of the state.

- These staffs are generally better trained in research than fiscal committee staffs, but have about the same high turnover rate; they lack the experience of the senior members of the joint legislative budget staff.

- They are as independent of day-to-day control by legislators as the joint budget staff, although their studies must first be cleared with the committee or its chairman.

- Growth in staff size, allowing flexibility to add projects for study, may increase their independence from legislators.

- They frequently recommend, through in-depth studies, major policy changes relating to the subject under scrutiny, and generally examine the subject using a zero-base budget concept.

- As the volume of their studies increases they will directly compete with both the higher education agency and the executive budget office in reviewing program policy.

Interaction Among Legislative Staffs

Great variety characterizes the quantity and quality of interrelationships of the legislative staffs, ranging from close supervision and coordination of all staff work by a single director, to the active antagonism of separately controlled committee staffs.

- The joint legislative budget staffs exchange data and analyses with the executive budget office; but unless the joint staff controls the assignments of the separate committee staffs, competition rather than cooperation marks its relationships with them.

- The newer budget review and selective program review staffs appear to compete with the

broadly based joint staffs, and seek to establish independent domains and information sources.

- The quick-and-dirty studies of salient issues by separate committee staffs, and the more thorough research of the program review staffs, often result in recommendations that are at variance with those of the joint budget staff; these may at times be more influential because the programs studied are of immediate concern to powerful committee leaders.

- Tension among the several legislative staffs sometimes borders on civil war, or leads to mutual disregard. The older established joint budget staffs seem more conservative and perhaps more realistic in their view of viable political alternatives than do staffs of separate budget committees.

- Almost every activity of separate budget committees and program audit staffs is already found in the task matrix of the joint staff; hence the domain encroachment from the new staffs poses a real threat to it.

- A joint budget staff and separate budget staffs for each house appropriations or budget committee now exist in only a few states, but the number of states with these staffs and the sizes of the staffs are increasing.

The Executive Budget Staffs

In all but three states the governor has a professional staff devoted to budget development. Mississippi still maintains a legislative staff that also serves the governor. While weak-governor states tend to have staff of lesser capabilities and experience than strong-governor states, weak-governor states are gradually diminishing in number. Of our 17 states, Florida, Kansas, Mississippi, and Texas fall into the weak-governor category.

- Executive budget staffs are gradually improving in professional quality, with those in four of the 17 states (California, New York, Washington, and Wisconsin) equaling or exceeding the staff quality of any other agency that reviews the budget in whole or in part.

- They usually have civil service status, unlike staffs of legislatures and most state higher education agencies.

- They have a somewhat longer time horizon for policy analyses than legislative staffs, but less than higher education agencies in most states.

- As issues become more complex and subject to quantitative analysis, the state budget office plays a stronger role in determining gubernatorial policy.

- Staff members generally attempt to be nonpartisan (except for the politically appointed chief or department head), but the influence of professional staff on final state appropriations is related to the governor's strength in his legislative relationships.

- As agents of the governor, state budget offices wield considerable power in state policy, but unlike a few top legislative analysts the chief professional does not gain an independent citizen or political image.

State Higher Education Agencies

All but one of these agencies have been organized since 1940. The chief staff members (of the agency, not the budget section) usually have an academic rather than a business or public administration orientation. Members of the technical budget staff are likely to be college graduates with previous budgeting experience. These

budget analysts are subject to close supervision by the generalist senior staff of the agency.

- Except for the director and perhaps a deputy, the coordinating agency staff members are less qualified than their counterparts in the large research universities, but the qualifications of the technical budget staff are similar to those of the executive budget staff and the joint legislative staffs in the same state.

- Staff members are improving in quality, primarily because of increased administrative control vested in coordinating agencies, higher pay levels than other state staffs, and the depressed job market for advanced graduates.

- These staffs are expected to provide more comprehensive analyses in more subject areas of higher education than other state staffs, but many if not most fall short of creating an ongoing long-range planning process for higher education.

- Although with few exceptions program review belonged originally to the higher education coordinating agency, this agency now faces sharp competition from legislative budget staffs as well as some executive offices.

- The coordinating agencies face increasing competition with all other state budget staffs in budget review.

- The coordinating agencies provide increasingly redundant analyses in both budget and program review to a governor and legislature that have their own analytical capacity.

- Coordinating (as opposed to state governing board) staffs gain additional administrative oversight and control primarily through the

acquisition of powers formerly the province of governing boards, and by being assigned administration of state and federal student and categorical aid programs to the colleges and universities, both public and private.

INTERAGENCY RELATIONSHIPS

Interagency relationships within each state are fairly unique in comparison to other states; nevertheless, we may generalize about some tendencies among state staffs:

State Staffs

- The more professional and experienced the staff, the more cooperation there is in the exchange of data, information, and analyses.
- Professionals are apparently able to exchange factual data without impairing their conduct of independent analyses that arrive at divergent or opposing conclusions and recommendations.
- The level of professionalism in state budget agencies is correlated rather closely with salaries, and to a much lesser extent with the degree of freedom from immediate supervision by a politician or board.
- The surplus of doctorates in the social sciences aids all state budget agencies in improving the quality of their staffs.
- Within a state, staff turnover is correlated with salaries.
- Staff members may move from coordinating agencies to state budget offices and joint legislative budget staffs, and especially from the executive office to the joint legislative staff; but seldom in the opposite direction.

- No director of these agencies had ever directed another kind of agency considered by this study.

- Inexperienced staffs tend to:

  Be unrealistic about the appropriateness and value of the new technologies for management and planning, and seem to be unaware of the limitations of devices for obtaining unit costs, cost-benefit analyses, and performance audits.

  Request new information and data from institutions that require different definitions and aggregations than do the regularly collected data (usually done by state higher education agencies or through the requesting budget document).

  Focus on single issues without taking into account the full range of dimensions that characterize higher education problems, at times recommending policies to political and other bodies that cannot be implemented or that call for major reorganization of the functions and programs of colleges and universities or of their data bases.

  Feed to their committee or board a precis of reports and studies that often omit the major reservations and conditions that would make a recommended course of action unwise or inappropriate.

Information Bases

- The amount of data and information available from an agency is associated with the level of professionalism of its staff.

- Because they have functions other than budgeting, coordinating agencies provide the most diverse and valid information about state higher educa-

tion, and are expected by other state staffs to furnish more than is current practice.

- State budget offices and joint legislative staffs generally do not develop trend analyses or an aggregated data base from the year-to-year data furnished in budget requests from the higher education institutions or segments.

- The density of communication among the agencies follows closely the flow of budget requests from one agency to another:

  If copies of requests go first to the coordinating board and then to the state budget office with accompanying analyses, communication between these agencies is often high--as it is later between the state budget office and the several legislative staffs when the executive budget is considered in the legislature.

  Executive budget offices obtain most of their information from the budget document, the coordinating agencies, special reports, or routine statistical reports.

  Legislative staffs obtain most of their information for budget review from the executive budget staff, directly from institutions through special studies, and to a lesser extent from the coordinating board.

  Special studies provide almost as much basis for developing policy alternatives as do the formal regularized information banks and reports; and because they are ad hoc and use varying definitions of terms in contexts not normal to the regularized data systems, the colleges and universities often furnish much data and information that is superfluous and not compatible with the regularized information.

- Although all agencies keep certain information and analyses private, ease of access to analyzed information ranges from the almost fully open system of the coordinating agency to the state budget office, the joint legislative staff, and the separate legislative committee staffs, in that order:

  The newer and less professional staffs are more likely to keep their findings confidential, while the older and more professional staffs may withhold insights and policy objectives but tend to be more generous with their routine information and helpful to other agencies in its interpretation and use.

- Openness in communication appears to be related to the organizational distance between politicians and staffs; those closest to the politicians on day-to-day matters are the least communicative with other agency staffs:

  Independent groups within the legislature may create an atmosphere inimical to a free exchange of information, often among staff of the same committee if it is partisanly divided.

  Staffs of coordinating agencies and executive budget offices find it difficult to communicate with legislative staffs, who do not communicate freely among themselves much less take a coordinated position on policy matters.

- The different legislative staff agencies provide the legislature with several viewpoints or alternatives on particular issues--a goal sought by legislators; but a single well-researched and formulated counterplan to an executive budget rarely surfaces.

- The forces demanding accountability through the use of unit costs and program budgeting tend to encourage agreement on a common information system among state staffs:

  The lack of staff qualified to establish costing procedures in each agency and the recognized expense of competing cost systems create conditions for mutual agreement on the objectives, definitions, and collection procedures of the costing system.

  Agreement on costing and information systems, although often tenuous, can only be achieved after the several agency staffs have become equal in professional proficiency and outlook.

  With rare exceptions, the state higher education agency leads in creating the information system and locating the data bank and its initial analyses.

Role Competition and Confusion

- The roles of individual state budget review agencies become more and more confused as competition among them for political attention and influence increases.

- Increased professionalism in staffs allows for more intercommunication but also pits one set of professional values against another, and in the short run increases domain competition.

- The executive budget office has the clearest role--that is, preparation of the executive budget document. However:

  Most coordinating boards were created with powers to review college and university budgets and to report recommendations to both governor and legislature.

When the coordinating agency acts as a neutral party, not as lackey to the governor or legislature, its recommendations can be accepted entirely or in part by both political bodies.

As coordinating agencies become more closely affiliated with the governors' offices, they tend to support the direction and assumptions of the executive budget staff, providing neither an independent set of recommendations nor analyses that disagree with those of the governor and his staff.,

The closer the affiliation between the staffs of the coordinating agency and the governor, the less confidence legislative staffs have in the coordinators' analyses or judgments on higher education matters, especially their recommendations on the budget.

- When the only state budget review staffs were the state executive budget office and a joint legislative budget committee staff, each understood its respective role and responsibility to its political arms. However:

  The advent of the coordinating agency created ambiguities for both these agencies because, by law, it was to be a third force, assisting the other staffs but not responsible to them.

  In a few states the legislature, not satisfied with a single joint budget committee staff, created additional staff offices for the appropriation committes--taking a piece of the action formerly the exclusive domain of its joint staff.

  The separate budget committee staffs create their own alternatives to the executive budget, to recommendations by the joint legislative staff, and to the fiscal staff in the other house--all contributing to lack of internal legislative coordination.

In some states the separate budget committee staffs divide along partisan lines so that there are increasing numbers of alternatives on every important political issue; partisanship also prevents agreement on respective staff domains.

The coordinating agency does not threaten the executive budget staff or the joint legislative budget staff as long as they perceive it as a friendly third party; this friendly relationship breaks down only if the coordinators drift into the governor's camp, by design of the governor or because of weak leadership in the coordinating agency; or if (as so many did in the 1960s) the agency becomes a "front" for the institutions.

Relationships among all three agencies will deteriorate if the separate budget committee staffs begin to compete openly with the previously established agencies.

In states where there is a separate budget committee staff, it threatens most the joint legislative staff (unless it is under its aegis), next the coordinating board staff, and least the executive budget office; but whatever functions are performed by the separate committee staffs, they are likely to be in direct competition with one or more of the other agencies.

- The new program evaluation or audit committees have yet to carve out their domain, but their activities are also likely to overlap with those of the other agencies:

  The work of these committee staffs generally focuses on single issues rather than the whole spectrum of matters dealt with in higher education budgets; but insofar as the other agencies take positions on an issue, the threat of an alternative to their recommendations exists.

Program review agencies may gain influence and broaden their domain as "incremental program budgeting" gradually emerges as the primary budget form--a goal of most executive budget staffs and many legislative staffs.

Redundancy

- The amount of redundancy that exists between the executive and legislative branches in their review of operating budgets for higher education is very close to 100 percent. However:

  The democratic system of divided power and checks and balances allows for this duplication.

  The amount of budget review duplicated by staffs within some legislatures appears to be in excess of that required for checks and balances, since as many as three or four separate staffs can be working on the same problem issue.

  If the legislature attempts to reduce in-house staff competition, it may concurrently develop better professional capacities to analyze executive budget recommendations.

- The coordinating agencies are finding their program-evaluation and budget-review functions increasingly duplicated by the legislative and executive staffs:

  Because the coordinating agency is not essential to the system of checks and balances, it is the agency most vulnerable to reduction in function, scope, and funding; this has already happened to two agencies.

  It appears that unless the coordinating agency performs more distinctive functions and activities and for each political arm equally, it will be reduced to an administrative or ministerial agency.

The loss of power and influence over institutional budgets also makes the coordinating agency vulnerable relative to powerful universities and community college systems, which can bypass the coordinative structure and appeal directly to politicians and their staffs.

CHECKS AND BALANCES--AND REDUNDANCY--IN GOVERNMENT: THE ISSUES

- Under early state constitutions, the legislature was supreme and the executive was administrative, intended to carry out the will of the legislative branch.

- After the turn of this century pressure grew for formulating a single budget for the state as a whole, including all agencies, rather than allowing each commission, council, or administrative agency to take their budgets directly to the legislative appropriation committees.

- More than any single factor, the development of the executive budget strengthened the office of the governor; at the present time, in most states the governor is more powerful than the legislature (hence the terms "strong-governor" and "weak-governor" states).

- In the last decade, the legislature began to recoup powers delegated or abrogated to the governor through the budgeting process by creating its own professional staff agencies to provide counterproposals and alternatives to the executive budget.

- From the Federalist papers and the United States Constitution, it would appear that this tension of counterbalancing powers is at the heart of our democratic process.

- The growing redundancy between the two branches of government in budgetary review (as well as administrative oversight) thus seems essential to the preservation of our system of government.

- What is not clearly essential to the system is the large amount of overlap and duplication among the joint and separate budget committees of legislatures, and the continuance of other agencies, such as state coordinating boards, to perform virtually the same budget, and at times selective program, review functions as do the political arms.

- The legislatures have two houses and, as part of the system of checks and balances, need equivalent staffing.

- The coordinating agencies perform important functions for the political arms, but as the constitutionally based bodies create their own capability for budget and selective program and issue review, coordinating agency activities in the same areas become unnecessary.

- Redundancy is particularly acute among all three types of agencies in the review of technical, mathematical matters rather than of policy matters having longer-term consequences for higher education relationships to the welfare of society.

PROFESSIONALS IN THE POLITICAL ARENA

Professional Staff: General

- Professional staff bring rationalization (of information and analyses) to the decision process as well as the attitudes and values which permeate their subsequent policy and technical analyses.

- The values and assumptions of politicians may be at variance with those of the professionals.
- If Weber is right, the politicians cannot stand up to professional "scientific" analyses.
- If so, the judgment of professional specialists may be substituted for that of the politicians, which often leads to "poor" political judgments that overlook equity and the people's expectations of government.
- In most states the executive branch seems irrevocably committed to larger and more specialized staffs for social science analyses of budget and program review, and the legislatures seem determined to match the governor's analytic capacities.

The Executive Branch

- Executive budget staffs seek more rational answers through performance budgets, program budgets, management by objective simulations, and zero-based budgets as well as other techniques (Purves & Glenny, 1976).
- Executive staffs grow in size and specialization, in some states absorbing almost fully the budget activities of the coordinating agency.
- The governor's appointive powers and tenure further strengthen his role and the role of his budget staff.
- The rationalized position of a strong governor previously left the legislature relatively powerless.

The Legislative Branch

- The legislature responds to executive power with its own joint staffs, committee staffs, and partisan staffs for professional policy and technical analyses.

- Only highly professional legislators can effectively counter the governor's professional staff; this has not yet been achieved in most states.

- Temporary legislative staffs are not likely to be able to counter the information systems and models presented by the governor's permanent (often civil service) staff.

- If legislative staffs are permanent, they become bureaucracies--as do the executive staffs.

- Several separate professional staffs in each house provide alternative analyses to contribute new perspectives on issues, including those in the executive budget.

- If legislative staffs are centralized under a joint committee or are fully coordinated in their operations, fewer options are likely to be available to the legislature but a more unified position may prevail for countering specific issues in the executive budget.

- It appears unlikely that a position taken by a governor can be consistently and successfully challenged without an equally singular and thorough professional analysis by the legislature.

- If legislators succeed in establishing such analytic capacity, according to theory they cannot as individuals stand up against the unified professional position of their staffs (although because of personal diversified interests they are probably more able to do so than the governor can with his staff).

- Staff analyses, with their hidden assumptions and values, tend to dominate or heavily influence the legislative process of decisionmaking.

- The confrontation between the executive and the legislative branches often becomes a battle of the professional analysts, as is the case at the federal level.

- If the professionals of the two branches of government agree in their analyses on how to resolve particular issues, the decision is quite likely to be adopted by the politicians of the state, except perhaps on a few large and highly political issues such as those relating to environment and energy, welfare, health care, and (in higher education) the closing of a college or university or the opening of a medical school.

- If the professionals disagree (which is not uncommon) between the two branches or within the two legislative houses, the politicians may choose among options presented or create new ones.

Coordinating Agencies (not including statewide governing boards)

- Staffs of coordinating agencies are increasingly committed to the social-science, public-administration view of their role.

- In some agencies the number of staff members has increased to the point of having specialists and supporting assistants to exercise each of the agencies' legal mandates. In some states budget reviews are detailed to the extent of encouraging third-level analysts to recommend on whether or not a faculty member or piece of equipment should be added to a particular department in a college or university.

- This overconcentration on technical detail results in decreased attention to analysis of long-range, more fundamental problems, or to the relevance of budget requests to shifting individual and societal needs, i.e., policy analysis.

- Technical review tends to emphasize the activity most focused on by both executive and legislative staffs, causing more rather than less redundancy.

- Policy analyses of coordinating agencies appear to deal with single large issues, such as new medical, dental, or veterinary schools, student aid programs, or a tuition increase, rather than on more comprehensive issues such as the changing functions of higher education, roles and mission of individual institutions, education as a lifelong process, and long-range support of various types and levels of education.

- Coordinating agencies are becoming more closely tied to the executive branches, with coordinating staff providing basic data and detailed technical analyses. These are reviewed in detail by the executive budget staff, and short-run policy decisions based on them become proposals in the executive budget.

- The validity and usefulness of such technical analyses by coordinating staffs is increasingly questioned by legislative staffs, partly because of their own capacity for the work and partly because the coordinators appear to be captured by the governors or institutions.

- Coordinating agency professionals rapidly lose influence to the other two types of agencies when they do no more than produce budget reviews and selective program analyses within the same short, confining time-frame of one or two years that characterizes the budget cycle.

- The coordinating agency, the only agency that up to now has the unique legal role and presumably professional capability to conduct long-range forecasting and comprehensive planning for higher education, appears to abdicate these functions in favor of administration and routine technical data collection and review, and has failed to distinguish itself from the other state budget agencies.

II

SUGGESTED FUNCTIONS FOR STATE BUDGET REVIEW AGENCIES

It is difficult to generalize about the current life stage of the several state budget agencies. Our perspective on the current role of the coordinating agency is broadened by understanding that it was created early because neither the governor nor the legislature could deal adequately (and did not want to try) with the complexity of programs and magnitude of monies of the intensely competitive higher education institutions. Almost simultaneously the other state budget agencies have been growing in size and professional competence. Downs's laws on bureaucratic competitiveness and functional domain apply to all these agencies: Given the constitutional position of the executive and legislative functions, the coordinating agency's former monopoly on certain matters is taking third-party status in a two-party war. In the struggle, the governor draws the coordinators into his alliance rather than allowing them to remain neutral.

THE STATE HIGHER EDUCATION AGENCY

Although a coordinating agency may have been formed after the executive and legislative staffs were partly established, its situation is about the same as that of older coordinating agencies. These newer agencies,

often purely advisory, have not usually been assigned strong roles in budget review and can only recommend to institutions and the political branches on programs. As the political staffs, especially the legislative, increase in size and capacity the newer coordinating staffs, like those with longer histories and stronger powers, become less and less useful for budgeting purposes (although not necessarily for other functions).

Some states (Colorado, Oregon, Washington) reorganized overall state government much earlier than others (Maryland, Missouri, Virginia) so that in a few states there are still virtually no legislative and very few executive staffs. In these states the coordinating agencies still play a major role in program and budget review, even with limited advisory powers, and each year are given more control over higher education and more influence in political circles. While coordinating agencies gain strength and political salience in states that have lagged in reform, those in the most reformed states (organizationally speaking) lose their former powerful positions. With reorganization and the advent of political staffs, these newer coordinating agencies are also likely to become redundant. However, redundancy occurs only in limited spheres of activity, that is, in budget and program performance reviews. Coordinating agencies gain on less important matters such as enrollment ceilings, admission and transfer standards, and construction efficiency.

Administrative tasks have devolved on the coordinating agency in almost every state, tasks that formerly belonged to governing boards of the individual institutions or subsystems. This may prevent the agency's complete demise, but unless essential, highly valued functions related to budget and program review can be continued, the agency will become merely another operating department or commission.

Given the increasing strength of political staffs, what kinds of coordinating agency functions preserve its value to the legislature and governor--and more particularly their staffs--on whose recommendations its survival depends?

Four functions seem particularly suited to coordination. If properly implemented, the agency's role could become more unique and valued rather than less. This requires a shift away from its most prized function, budgeting, which consumes most of its energy and resources, toward: 1) planning and policy studies, 2) information and management systems, 3) program initiatives and control, and 4) budget review of programs and services in relation to long-range plans and policy analyses.

Planning and Policy Studies

The major function of almost every coordinating agency established after 1955 was to conduct continuous or periodic long-range planning for higher education. While the original statutes often require plans only for public institutions, recent amendments added most of post-secondary education as recognized by the federal government: that is, accredited institutions public, private, and proprietary. During the latter '60s, statewide master plans became commonplace, but as conditions for higher education changed from 1968 to the present time, those plans fell into disrepute because they dwelt on a rapidly growing public sector rather than one leveling off or decreasing in public importance. Gross errors in forecasting enrollments and flow of students among programs, the need for new programs and facilities, and the assumption of new administrative services, all reduced agency prestige and credibility and discouraged new planning efforts that would employ different, "alien," sets of assumptions about the future of education and the society. Few truly comprehensive planning efforts have been initiated since 1972, and these sometimes only peek timidly at the dynamics of higher institutions in the maelstrom of post-secondary opportunities.

More common have been studies that focus on issues of budget and efficiency considerations. These studies are not set in a broad context that considers long-range consequences, and are more frequently ignored than followed by the political branches. Indeed, the political staffs, with their own resources, conduct

similar if not quite identical studies in which they have more confidence. Almost any budget agency can do credible ad hoc studies, but only the coordinating agency is charged with, and staffed to carry on, continuous planning. Because of coordinating agency dereliction in 1972, the California legislature established its own committee to propose a new state plan.

Most state policy is delineated in the state budget. However, state budgets reflect considerations of social policy only for the immediate budget cycle, with little pretense by legislators that they can see into the future. Heaphey (1975) quotes a Massachusetts legislator as having said that a legislator should "look upon his craft as consisting in the adaptation of temporary contrivances to temporary emergencies . . . not . . . to anticipate the march of affairs and provide for distant contingencies. . . . No legislature ever looks on anything as settled, finished, complete" (p. 480). Heaphey himself asserts that "legislative organizations, therefore, are not suitable for dealing with long-range problems, because it is difficult for their members to foresee their interests in the long run" (p. 480).

If this is so, and evidence from our study overwhelmingly validates it, the coordinating agency can provide a vital long-range perspective to both governor and legislature in which to evaluate and act on current budget policy for higher education.

In the 17 states studied, senior members of political staffs were usually not aware that a master plan for higher education existed (although if there was no new plan the one developed in the late '60s was still presumably in service). They were as desirous as the politicians to have a more understandable context in which to decide current issues. Even if the budget reviews of the coordinating agencies take planning into their analysis, in their recommendations to political bodies they do not make clear how program and priority decisions relate to the assumptions, goals, and projections of the long-range state plan. Continued weakness in planning by coordinators is as likely to cause loss of influence as any other

single factor, including duplication of budget and program performance review of the other state agencies. While planning and long-range policy analysis may not immediately appear to be highly salable, they should be the first priority of coordinating agencies.

Information and Management Systems

Coordinating agencies have made steady if slow progress in establishing comprehensive information systems for policy analysis and management purposes. Too often they rely on the Higher Education General Information Survey (HEGIS) of the National Center for Education Statistics (NCES) for their vital data, which survey was not designed for such state purposes. While the NCES is planning major revisions and new emphases for state planning and policy analysis, it will be years before these data are available and are analyzed for individual state purposes. While the other budget agencies continue to rely on coordinating agencies for most of their information, they place increasing reliance on their own research and gathering instruments (primarily the budget document) rather than on those of the coordinating agency.

Our suggestions above under "information systems," that the coordinating agency have prime responsibility for leadership and implementation, are reinforced here. Each state budget agency and institution of postsecondary education must participate in the design and management of the state information system. Information is power, but coordinators seem to forget that and tend to furnish more complete information to executive than to legislative staffs. Liaison with legislative staffs is diminishing, that with the executive increasing--not a wise policy for survival unless coordinators wish to become mere appendages of the executive branch.

Data ard information outputs, with heavy emphasis on policy and planning analyses, can provide the state with an extremely valuable resource now availble in only a few states.

Program Review and Control

Coordinating agencies have also made slow but steady progress in program review and control. The Education Commission of the States and the National Center for Higher Education Management Systems are developing criteria and measures to aid in program review, as have some of the coordinating agencies. To date most effort zeros in on procedures for data collection, data aggregation, and unit costing of programs, and perhaps that priority remains appropriate. Increasingly, however, the focus must shift to review of extant programs, their worth, and their priority relative to programs in other state institutions (with national considerations included), and those that are proposed. Review of existing programs creates far greater traumas for institutions than does review of proposed programs, for it targets the very core of institutional integrity. Whatever consensus or loyalty exists in an institution revolves around a commitment to current curricula. Institutional and state master plans are the context for all program development, old and new. Omission of the long-range context invites ad hoc decisions and a series of incremental policies that can lead to disastrous extensions and costly duplications without improving the quality or array of programs needed.

As we have noted, the coordinating agency together with the institutions should have primary legal responsibility for planning new programs and services. It should also relate new and existing programs to the master plan. No other agency has the experienced staff that, in cooperation with the institutions, can provide the data, analyses, and context for a comprehensive approach to program review. The very heart of coordination lies in program quality and complementarity.

Budget Review

The earliest coordinating agencies were mandated to review budgets and prevent "unnecessary overlap and duplication" of programs. Planning was later added, and more recently private postsecondary institutions were

included in the planning charge. But without exception throughout the nation, coordinating agencies with full budget review powers have placed this function at the top of their priorities. The continuous pressure on institutions to maximize funding tends to force this reaction, with the result already cited: duplication of the work of other professional staffs in the executive and legislative branches. Loss of leadership for providing acceptable budget recommendations has not in the least diminished the attention of coordinators to this function. Instead of analytically and policy oriented professionals, these agency continue to employ technicians to do the aggregating and mathematical checks. This activity can be done better elsewhere

The coordinating agency in most (but not all) cases would be advised to review budgets in only three dimensions. First, it should provide a thorough analysis of institutional budgets (aggregated for the state or by subsystem) as they relate to long-range policy analyses for higher education for the whole state. This requires scrutiny of social and economic trends and of resource allocations within each institution and for all higher institutions (an examination that takes place in few agencies today). Such analyses require continuous updating and dissemination to other policy bodies, including the state budget agency and institutional governing boards and administrations. Forecasting should accompany trend analyses.

Second, the agency needs to review budgets in terms of matching program development with the state's long-range plans. Here again economic and social as well as educational analyses should be long-range and should accompany the recommendations for approval or disapproval of requests for particular programs.

Third, the agency should conduct special studies on selected financial issues such as tuition, student aid and its impact, funding of education for women and minorities, financing continuing education, and other matters; these would provide in-depth understanding and a social context that the non-higher education budget agencies

cannot approach. Some budget subjects require insights and fundamental knowledge about education that can only be provided by a well-staffed coordinating agency committed to equity for individuals and quality and diversity in programs.

Detailed analyses of subprogram elements, mathematical verifications, and formula conformance are not recommended for coordinating agencies where the state has already developed staff capability in either the legislative or the executive branch, or both. Formulas for developing budgets are another matter: Coordinators may take the lead in obtaining the cooperation of institutions and other budget staffs in seeking consensus on formula elements and weights. They may also study the impact of current formula elements on operations, but the instrument produced should be made the "property" of the state budget office for control and conformance.

It could be argued that if the coordinating agency gives up the review of budget minutiae (to which it now devotes much energy), institutions will run wild, appealing directly to political bodies and undermining agency program review and planning strengths. However, it could equally be argued that if the agency engages in the kind of data gathering, planning, policy analysis, program review, and budget review we suggest (and very few if any coordinating agencies do), its image as a policy leader and innovator will decidedly improve as its image of a group of technicians duplicating the work of other staffs diminishes. The agency will retain leverage on the budget, because its recommendations will relate to the most important aspects of the budget--program and long-range policy. It will have influence and strength, which few of its recommendations on any budget subject now have. Certainly, in the past decade agencies have not controlled fund allocations to higher education; that has become the province of the state budget office and the legislative analysts.

THE EXECUTIVE BUDGET OFFICE

The executive budget offices have a range in quality, reputation, and de jure powers similar to or exceeding the state coordinating agencies. Staffs range from one or two people servicing all government agencies to 100 or more, with specialists for major state functions. Professional qualifications are generally concomitant with staff size. De facto power, however, is not normally determined by provisions in the resolution, executive order, or statute that establishes the staff agency, but derives directly from the power of the governor in relation to the legislature. Strong-governor states predominate, but the range in power down to weak-governor states is more noteworthy for the differences from state to state than for the similarities. The states with strongest governors had a department of administration (or similar title) that housed the state budget office, with all services of the state organized into a relatively few administrative departments under the governor, and the governor having the item-reduction veto or item-veto powers. A few generalizations may nevertheless be made on the role of the executive office in relation to higher education. Three major duties and one minor one are pertinent to higher education: 1) determining the share of state revenue to be recommended to the legislature for higher education; 2) making the technical and mathematical review of the budget; 3) allocating funds in lump sum or by type of institution or subsystem in relation to the long-range plan, through specific recommendations of the coordinating agency; and 4) conducting special financial policy studies of particular interest to the governor and gathering the supplemental data necessary for the analysis.

Determining the Share of General Revenue for Higher Education

Higher education leaders sometimes give the impression that whatever they request should be recommended in the executive budget and appropriated by the legislature. The governor's office has the thankless task of finding an equitable balance in funding all the state's functions;

although important, higher education is only one function. The analysis preceding recommendations can consume a large proportion of staff time each budget cycle. Because most states have annual budgeting sessions, the executive staff must work on three budgets concurrently. It continues to manage the expenditure of the previous budget, directs the current budget through the legislature, and prepares instructions and priorities for the future cycle. Different staff members may perform these functions, but staffs are often not numerous or specialized enough. Executive staffs do not have time to engage in data manipulations and analyses that state higher education agencies should in fact perform; the data bases for budget allocations normally extend no further than the numbers and justifications contained in each budget request. Only occasionally did we find that the office aggregated the historical data contained in budget requests to develop trend lines or detect growing variances in funding among services.

Requests from higher education have probably been reviewed in whole or in part by a coordinating agency for the public institutions, but no other state service has such an agency to plan, make analyses, and winnow requests from the operating departments. (The coordinating agency is not, but appears to be becoming, an operating department itself, similar to those of other state services. This is already true of the single statewide governing boards.) That work, if done at all, falls to the state budget staff, which would help itself and the state if more of its man-hours were spent on trending, observing historical changes, and projecting them 10 or more years ahead for each state service--even knowing that politicians, especially the governor, will make some changes in staff recommendations out of knowledge of the historical context and future estimates on each service. Higher education assumes that the state should grant what it asks in part because such trending and projecting is rare in executive budget offices. No state service can foresee limits on its ambitions when it is ignorant of trends that support other state services and their probable projection into the future. All budget requests, including those of higher education, might be more realistic and manageable if such information were publicly dissemin-

ated, with special effort made to inform faculties and administrators of the trends and fiscal constraints.

During the past six to eight years the share of state budget dollars allocated for higher education has generally been reduced, except in the South (Ruyle & Glenny, 1976). Had there been better analyses of trends in all state services this might have been hastened or slowed, but in either case with a bit more rationality than the year-to-year ad hoc decisions current in most states. In few states exceptionally well-staffed agencies of a governor perform these tasks; but where such information is lacking, the governor is increasingly at the mercy of staff recommendations. Without knowing the precedents or historical funding problems of operating agencies, the governor (who rarely has tenure and experience equal to that of legislative fiscal leaders) is subject to his own staff's recommendations and is open to subsequent legislative attacks on his budget. Even then he may not be fully aware of the source of the trouble: lack of knowledge when he made his decision, or a real political difference in priority of services.

Technical Budget Review

Someone must audit all agency budget requests to comply with instructions and accuracy in computations. Professional staff can better be used elsewhere, for such technical audits need not be completed before initial analysis--contrary to practice in one of our states (Washington). Starting analysis early adds to the time and resources for it, but the audit task remains essential for achieving equity and due process among the agencies. The duplication by the coordinating agency and occasionally the joint legislative budget staff in performing this task should be eliminated entirely, with those agencies guarding their prerogative of probing into special subject areas as policy priorities dictate.

Allocation by Type of Institution

The executive budget office may act on allocations to institutions and subsystems after it receives the recommendations of the coordinating agency or of the statewide governing board. However, so that the governor and his staff are aware of funding trends in the several types of public institutions, and of the subsidization rates of the private ones, state budget staff should provide or have available data on trends, and make technical projections similar to those for the state service departments. Trends may be compared to master plan expectations for higher education and the analytic results then made public for use by concerned policy bodies. Such analyses also ensure that the state higher education agency, through its decision processes, has avoided favoritism for some campuses over others when such preferences diverge widely from the master plan.

Special Studies

While the major part of analytic work on higher education operations is preferably conducted by a higher education staff, some subjects, such as tuition, income from overheads on grants, auxiliary enterprises, bonding, and other matters, often require a differing state perspective than is likely to be supplied by the coordinating agency or the institutions. Studies of such subjects should be conducted by the state budget staff, and the coordinating agency could cooperate by furnishing or collecting institutional information.

If executive budget staff data requirements exceed those on which consensus can be achieved for use by all budget agencies, a supplemental questionnaire should be included with those that establish the higher education data base.

LEGISLATIVE STAFFS

Because the legislature consists of many members divided into two houses, further divided into committees for hearings and study purposes, and occasionally still further divided along partisan lines, the number of staffs serving the committees that deal with finance and budgeting alone may come to five or six. We tend here to treat all these staffs as if they were equal in professional qualifications, outlook, numbers, and influence; however, as already indicated, there are pronounced differences among them. If executive staffs are constitutionally expected to perform certain functions relating to budgets, so also are the staffs of the legislature. Several such staffs focusing on the same issues or conducting studies on the same problems produce confusion and waste.

Before turning to the activities relating to higher education that we believe are most suited to the legislative staffs, we wish to comment on the growing fragmentation of legislative staffing and how legislators might better obtain policy alternatives on the issues that confront them and more staff coordination at the same time.

Coordinating Legislative Staffs

A single joint legislative budget committee allows for a high degree of coordinated effort in policy analysis before a budget goes to be voted on in the two houses. However, the work load imposed on a single staff by the legislators of the two houses, and the inability of that staff to reflect differences in leadership opinion of the houses, account for the creation of additional committee staffs. Further partisan bifurcation of the staffs satisfies a similar need by majority and minority committee leadership. The apparent chaos of legislative staffing cannot be dismissed as irrational or attributed to power-hungry committee chairmen. Rather, if a legislature relies on professional staffs to compete with the increasingly "scientific" approach to social issue problem-solving and technical budget by the executive branch, it must acquire sufficient staff specialized in

many subject areas who understand and can respond to the executive budget. The legislature must protect itself against the professionals, while at the same time it finds them essential. Legislators do not want to be captured by the experts any more than they wish to become helpless "victims" of the governors' budget policies. The solution is more coordination of staff work, without denigrating individual staff members or destroying the possibility of securing alternative perspectives on the major issues.

The suggestion made recently by Bartley (1975), Speaker of the House in Massachusetts, to shift power from the budget committees to substantive committees in order to obtain better policy on virtually all legislative matters, appears unrealistic, given the long history of budget committee practice. The vested interests and internal power of legislators in key fiscal positions would probably block any such reform. However, it is likely that in most states the substantive committees will acquire staffs; some already have them. This denotes additional hearings and further stretching of the energy and resources of operating agencies, including those for higher education. Additional time and effort will be required to deal with at least one other staff (if not two), another data system or two, or another set of defensive hearings, generating further fragmentation and additional alternatives. Legislative consensus would be difficult to achieve under these conditions.

Our examination of legislative staffs in the 17 states leads us to agree with Roberts (1975) of the New York Assembly, that staffs should be divided along partisan lines; party leadership in each house should arrange for caucuses of the pertinent substantive and appropriation committees and their staffs in order to arrive at a party position on higher education issues. Having reached some agreement within each house by party, attempts could be made to arrive at a party position for both houses. Coordination would thus be accomplished by the more informal political party structure rather than through a central joint committee with one director overseeing all staffs. The advantage to the politician derives from the bipartisan arrangement: He would get alternative views from several staffs and have a say in the negotiated party position in his house, and indirectly or directly for the party in the legislature.

The advantage to staff would be more coordination by party leadership of overlapping activities, and more adequate coverage of a greater variety of issues.

Critical to this arrangement is the continued existence of a two-party system in each house of each legislature, which may be unrealistic given the waning power of political parties and the growing proportion of independent voters in legislative constituencies. However, if not a solution in all states, it would be in most--especially in the larger states--and consequently those with the greatest membership on legislative staffs.

Providing Political Alternatives

As a reaction against "kings and despots," legislatures originally were given more power than executives. The legislature was organized by districts, and differently in the two houses, to represent the diverse interests of citizens. In more than half the states the executive has now surpassed the legislature in power. The legislature fights the executive primarily through the state budget; thus, if alternatives to gubernatorial policy are to have meaning in the power relationship they must arise in the legislature and have sufficient support to block or alter executive policies. In most states, the coordinating agency for higher education was formed to assist both the governor and the legislature in finding alternative solutions to budget and operating problems. Apparently not satisfied with this arrangement, the legislature set its own staffs to work on higher education matters; this often resulted in alternatives to both executive and coordinating staff positions, and gave the legislature several options from which to choose. The new arrangement conforms to the separation-of-powers doctrine by strengthening the legislature's hand.

As long as legislative staffs do not screen out alternatives from other sources before the legislators have made choices, the legislative bias toward developing its own alternatives appears sound. However, some legislative staff members we interviewed admitted giving decreasing

attention to policies suggested by the coordinating board or executive office, and more to those generated from within--thus actually restricting the number of legislative choices. While options initiated by the legislature are desirable, our evidence suggests that legislative staffs have less supervision and more freedom to pursue personal value goals than the other staffs, and at the same time are closer to the people who make final decisions. It would behoove the pertinent legislative committees to assure themselves that they have all the alternatives available, from other sources as well as from their own staffs.

Program Priorities and Review

Program budgeting requires, and the increasing internal use of programs by higher education encourages, detailed legislative review of selected programs. While such legislative review may be necessary for other services, the fact that the legislature delegates program review to the coordinating agency should make a difference in the detail and depth of scrutiny with which higher education programs are legislatively reviewed. The data sources, previous experience with them, and specific knowledge about institutions proposing the programs usually enable the coordinating agency to provide an analysis thorough enough that legislative staffs may devote their time to determining how the programs conform to legislative interpretation of the master plan for higher education and the priority that particular programs should have over others. Legislative staffs should be concerned with broad policy considerations on programs, not their technical details. Few if any legislative staff members are or should be qualified to perform detailed technical analysis.

Program Audit and Oversight

As legally constituted, the legislature and its staffs might be expected to study programs for their desirable outcomes, efficiency, and effectiveness to determine whether financial support for private institutions really affects attendance rates and financial solvency in desirable directions; or to assess whether community

colleges effectively reach the populations they are charged to serve; or to examine the economic consequences to the state of various types of research programs such as those pertaining to health, the environment, agriculture, and transportation. However, most such work is increasingly done by a separate program performance audit staff, or has become the province of a legislative fiscal auditor. If other legislative staffs do not perform these essential functions, they are left to the staffs of the separate budget or appropriations committees, and we feel it important to repeat that of all those we interviewed these staffs are generally the least experienced and most naive in higher education matters. Their expectations are often drawn from theoretical models that exceed the probabilities of the real world and result in unjust and misguided criticism of effectiveness and outcomes. Higher education seems particularly targeted by these staffs, possibly because they realize their limitations in other fields and because of their sojourn in a college or university getting a degree assume a knowledge they do not possess. A college graduate or graduate intern is not automatically transformed into a full-fledged professional, political scientist, economist, or public administrator because of a sudden acquisition of power. Their power, added to the freedom with which many of these inexperienced people can operate, can make for great mischief and frustration for both legislators and higher education leaders. Program policy is what the legislative agenda is all about, but if amateurs make the analyses of priorities, efficiency, and effectiveness, the legislators will be omitted in this highly political process. Legislators need to acquire more capable staff people and rid themselves of burdensome skirmishes with institutions that arise out of misguidance by their staffs.

Special Studies and Information Systems

The commentary on the executive staff on these subjects applies here. The legislature has the right to conduct special studies on any subject. In almost all the states, a higher education agency helps in this function, both to provide data and information and to

conduct studies for the legislature. Also, if supplemental data questionnaires are to be administered for legislative staff, the higher education agency is the logical choice.

REVENUE PROJECTIONS

Revenue projection falls under the jurisdiction of the executive and legislative branches, but in some states only the governor's office makes projections, in others only the legislature. However, in many others both political bodies make projections, confronting each other over estimates and hence over differences in amounts of money to be budgeted. Since education, particularly higher education, is usually the balancing service and is last to be funded after the other state services, the estimates of state revenue may be critical to its actions during the budget process and of course to its financial well-being afterward. All revenue estimates may be in error, but as the executive and legislative staffs make successive but differing revenue projections from fall through spring the ping-pong effect is devastating to both morale and higher education planning. In a few of the 17 states we studied the legislature and the executive rely on a single staff to make such projections as technical and nonpolitical as possible. Both political branches were satisfied to deal with numbers on which agreement was automatic. Our staff found no damage to separation of powers in this area while little good but much frustration resulted from the series and counter-series of projections. We believe that a jointly acceptable staff involving both branches of government in estimating revenue would have a salutary effect on executive-legislative relations and take much of the uncertainty out of college and university planning for the coming year's operations.

A SUMMARY

Chart 3 summarizes the comments made above. It indicates the principal functions relative to budgeting operations that seem most appropriate for each of the

Chart 3

RESPONSIBILITIES OF STATE HIGHER EDUCATION AND BUDGET AGENCIES

State higher education agency	Executive budget office	Legislative budget staffs
Continuous long-range planning and broad policy analyses	Technical/mathematical review of all budgets	Development of policy alternatives to executive budget
Program review and audit (new and old)	Revenue share for higher education	Program priorities, master plan review and oversight
State higher education information system and special studies	Revenue proportions by type of institution	Special studies, performance audit, and supplemental information
Budget review for: master plan conformance program conformance to master plan special financial and other studies	Special policy studies on educational finance and supplemental information	Aid in development of formulas
Initiate and develop formulas	Aid in development of formulas	Joint revenue projections with the executive
	Joint revenue projections with the legislature	

three types of staffs. Because of differences in state organization, tradition, and gubernatorial power in relation to the legislature, the allocation of functions among agencies within any particular state will of course vary from those indicated by the chart. Our attempt has been to increase alternatives to reinforce the system of checks and balances required by our democratic system, to improve the professional qualifications of staffs while keeping them under the control of elected political leaders, and to emphasize the role of long-range planning and policy analysis for the state higher education systems.